GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2779
ANSWERED ON:17.12.2004
CO OPERATIVE BANKS IN KARNATAKA
Jalappa Shri R.L.

Will the Minister of FINANCE be pleased to state:

(a) the number of District Central Co-operative Banks in Karnataka of which the number of banks are eligible to draw money from NABARD and lend it to farmers;

(b) the number of such banks fraud, misutilisarion, misappropriation of funds are reported; and

(c) the action the Government and the NABARD have taken on such erring Co-operative Banks?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) Out of 21 District Central Co-operative Banks (DCCBs) functioning in the State of Karnataka 17 DCCBs are eligible to draw short term/ medium term and long term refinance from NABARD against their lending to farmers.

(b) and (c): Instances of frauds and misappropriation have been reported in respect of IS DCCBs in Karnataka. As many as 136 fraud cases involving Rs. 978.08 lakh were pending as on 30th September, 2004. As per State Co-operative Act, the Registrar of Cooperative Socities is authorized to initiate action against the cooperative Banks and the cases of frauds reported by DCCbs have been/are forwarded to Registrar of Cooperative Societies, Govt. o1 Karnataka accordingly with the advise to initiate necessary action. Further, DCCBs were alsc advised through inspection reports and follow up letters for necessary compliance in this regard. Besides, the banks have been advised to take effective steps to avoid recurrence o1 such frauds, misappropriation etc. in future.